
Ways & Means Committee

HB 1444

Brief Description: Administering the Washington state patrol retirement system.

Sponsors: Representatives Hurst, Roach, O'Brien, Goodman, Conway and Kelley.

Brief Summary of Bill

- Creates an eleven-member Washington State Patrol Retirement Board (WSPRS Board).
- Grants the WSPRS Board the power to hire staff, study and make recommendations to the Governor and Legislature on WSPRS pension issues, and conduct public meetings.
- Provides that one-half of the expenses of the WSPRS Board be paid for by WSPRS members, and one-half by the State Patrol.

Hearing Date: 2/17/09

Staff: David Pringle (786-7310)

Background:

In 2003 the Select Committee on Pension Policy (SCPP) replaced the Joint Committee on Pension Policy as the entity responsible for studying pension issues and the financial condition of the state pension system; developing pension policies; and making recommendations to the Legislature regarding changes to the state pension system.

Created in 1998, the Pension Funding Council (PFC) receives recommendations from the Office of the State Actuary (OSA) regarding the appropriate member and employer contribution rates for the Public Employees', Teachers', School Employees', and Washington State Patrol Retirement Systems(WSPRS), and periodically adopts pension contribution rates and changes to certain long-term assumptions that affect pension funding. The contribution rates adopted by the PFC are subject to revision by the Legislature.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2003 Initiative Measure Number 790 (I-790) created a board of trustees to establish contribution rates and pension policy for members for the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2).

Pursuant to instructions in the 2008 Supplementation Transportation Budget, the Office of Financial Management (OFM) reported to the Legislature its study of the relative cost and effectiveness of various methods by which the pension concerns of members of the Washington State Patrol Retirement System (WSPRS) may be considered and submitted to the Legislature.

Summary of Bill:

An eleven-member WSPRS Board is created. The membership includes the chief of the Washington State Patrol, the Director the Department of Retirement Systems or a designee, and the Director of the Office of Financial Management or a designee. The chief of the Washington State Patrol also appoints four members: Two members of the board representing active members of the WSPRS from a list submitted by an organization representing members of the plan, one member representing active members above the rank of sergeant from a list submitted by members of similar rank, and one member representing retirees. Two members of the board are from each of the House of Representatives and the Senate from each of the two largest caucuses of each chamber of the Legislature, appointed by the Speaker and the President of the Senate, respectively. The legislative members serve in a nonvoting capacity.

Board members are not compensated for service, but active member representatives shall not suffer a financial loss for service, and all members will be reimbursed for travel and education expenses.

The WSPRS Board is given the power and duties to hire an executive director and hire or contract for other services necessary to carry out its duties. These duties include the study of pension issues related to the WSPRS system, and to conduct public meetings, and make recommendations to the Governor and Legislature. The State Actuary shall provide services to the WSPRS Board, and will be reimbursed for those services by the Board.

An appropriated WSPRS administrative account is created from which the expenses of the WSPRS Board are paid. A rate will be collected on WSPRS salaries from employers and employees, in a manner similar to the retirement system contribution rates to provide for the expenses of the Board.

The WSPRS is removed from the issues considered by the Public Safety Subcommittee of the SCPP, though not the SCPP itself.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.